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Grain and Feed

CWB Announces New Program for Organic Farmers 2000

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Report Highlights:

The program is intended to simplify and lower the cost of the Producer Direct Sale (PDS), commonly known as the buy-back, by enabling farmers to deal directly with the CWB, rather than completing the transaction through their elevator. Farmers will also be offered credit arrangements that will eliminate the up-front costs of doing a Producer Direct Sale. By extending credit, farmers will now be treated the same as customers or accredited exporters who purchase from the CWB on credit.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1], CA

CWB ANNOUNCES NEW PROGRAM FOR ORGANIC FARMERS

The following was taken from a December 8, 2000 Canadian Wheat Board (CWB) news release.

The CWB Board of Directors announced a new program for organic farmers. The program is intended to simplify and lower the cost of the Producer Direct Sale (PDS), commonly known as the buy-back, by enabling farmers to deal directly with the CWB, rather than completing the transaction through their elevator. Farmers will also be offered credit arrangements that will eliminate the up-front costs of doing a Producer Direct Sale.

"This simplifies the process for organic farmers who want to find their own buyers," said Ken Ritter, Board Chairman. "By changing the Producer Direct Sale and offering credit arrangements, we are making the process easier and more flexible for farmers. It should also save them some of the additional costs they have to pay the grain companies for administering the program."

The new program follows up on consultations held with farmers earlier in the year, in which organic farmers clearly indicated the Producer Direct Sale was cumbersome and posed problems for cash flow. By extending credit, farmers will now be treated the same as customers or accredited exporters who purchase from the CWB on credit.

"Organic farmers expressed varied opinions on how to make improvements to the buy-back process," said Ritter. "The new programs are a compromise because they eliminate some of the concerns about the unnecessary administration involved in undertaking and financing a buy-back, without undermining the principles of pooling and single desk selling."

Last year, 85 of an estimated 800 certified organic farmers on the Prairies marketed their wheat, durum and barley themselves under the Producer Direct Sale program. The balance of organic farmers sold their grain through companies that market organic grain.

The credit program for organic farmers will run on a trial basis and be reviewed regularly with users throughout the year. The new programs will be launched early in the new year, along with more detailed information on the process associated with undertaking a Producer Direct Sale. "Our intention is to make it as simple and easy for the farmer as possible," said Ritter.

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